

## Fact Sheet

# Prompt Payment

### Understanding prompt payment requirements for Standard and Tailored Plans

NC Medicaid established provider payment requirements for health plans that are:

- Intended to encourage continued provider participation in the Medicaid program
- To ensure beneficiary access and support safety net providers
- To ensure continuation of current reimbursement levels using mechanisms that mitigate the risk of health plan steerage to other providers. Final capitation rates will reflect required reimbursement levels.

Health plans are required to act on additional information submitted by a provider within the required timeframe as defined below.

#### PROMPT PAY QUICK REFERENCE SUMMARY

	Medical Claims	Pharmacy Claims
Timely Filing	<p>For claims with a date of service on or after 7/1/2023, the Managed Care timely filing will be changing to 365 calendar days of covered service or discharge, or a time period set by the health plan that is no less than 365 calendar days</p> <p>For claims with a date of service falling between 7/1/2021 – 6/30/2023, the Managed Care timely filing will remain within 180 calendar days of covered service or discharge, or a time period set by the health plan that is no less than 180 calendar days</p>	Within 365 calendar days of date of provision of care

	<b>Medical Claims</b>	<b>Pharmacy Claims</b>
Timely Filing for Retroactive Enrollees	365 calendar days of the approved enrollment	365 calendar days of the approved enrollment
Notify providers of Clean/Pend Claim	18 calendar days of receiving claims	14 calendar days of receiving claims
Pay/Deny claims upon clean submission/or becomes clean	Within 30 calendar days of clean submission / becoming clean	Within 14 calendar days of clean submission / becoming clean
Deny claims if no additional information provided from the provider	90 days of the date the additional information was requested	90 days of the date the additional information was requested
Implement rate floor rate changes	Within 45 calendar days of DHHS publishing the rate floor update	Within 45 calendar days of DHHS publishing the rate floor update
Reprocess claims after implementation of rate floor	Within 75 calendar days of DHHS publishing the rate floor update	Within 75 calendar days of DHHS publishing the rate floor update
Rate floor rate change recoupment	Within 60 calendar days after claim recoupment is identified	Within 60 calendar days after claim recoupment is identified

## PROMPT PAYMENT

Health plans must, within 18 calendar days of receiving the medical claim, notify the provider whether the claim is clean\* or pend the claim and request all additional information needed to timely process the claim.

If the claim is clean upon submission, or when it becomes clean with additional information submitted, the health plan must pay or deny within 30 days. If after 90 days, the provider has not provided the additional information needed, the health plan will deny the claim.

### Prompt Pay for Pharmacy Claims:

1. Health Plans shall, within 14 calendar days of receiving a pharmacy claim, pay or deny a clean pharmacy claim or pend the claim and request from the provider all additional information needed to timely process the claim.
2. A pharmacy pended claim shall be paid or denied within 14 calendar days of receipt of the requested additional information

### Prompt Pay for Additional Directed Payments:

Health plans shall make additional directed payments as prescribed by the Department and approved by the Centers for Medicare and Medicaid Services to certain in-network providers including, but not limited to, Local Health Departments, Faculty Physicians affiliated with the Teaching Hospitals for each North Carolina medical school and hospitals owned by UNC Health

Care or Vidant Medical Center and for inpatient and outpatient services of UNC Health Care System hospitals and Vidant Medical Center.

Health plans shall be financially obligated to pay the additional directed payments to the applicable providers within five business days of receiving the payment from the State.

\* Please reference section below for clean claims.

## **CLEAN CLAIMS**

A claim submitted to a health plan by a participating provider which can be processed without obtaining additional information from the Participating Provider or their authorized representative in order to adjudicate the claim.

Pursuant to 42 CFR § 447.45(b), Clean Claim does not include a claim from a provider who is under investigation for fraud or abuse or a claim under review for medical necessity. A claim is not clean when pended for a suspended health plan or taxonomy status.

The health plan shall pay clean claims, regardless of provider contracting status. The health plan shall reimburse providers according to the prompt pay timeframes included in this fact sheet when a clean medical or pharmacy claim is received.

## **INTEREST AND PENALTIES**

Health plans that do not pay claims within the required timeframe according to prompt pay requirements will bear interest at the annual rate of 18 percent beginning on the date following the day on which the claim should have been paid or was underpaid.

In addition to interest, a health plan shall pay the provider a penalty equal to one percent of the claim per each calendar day following the date that the claim should have been paid.

Health plans that do not pay separate directed payments to providers within five business days receipt of funds shall pay interest on late directed payments at the annual rate of 18 percent beginning on the first date that the directed payment should have been paid as specified in the contract.

In addition to the interest on the late directed payments, the health plan shall pay the provider a penalty equal to one percent of the directed payment per each calendar day following the date that the directed payment should have been paid as specified in the contract.

Interest and penalties also apply when health plans take more than 45 days to implement rate changes and reprocess claims for rate floor services. Each plan should outline, for providers, the amount of interest and penalties that should be paid based on the guidance provided by DHHS.

Providers do not have to make separate requests to the health plan for interest or penalty payments and are not required to submit another claim to collect the interest and penalty. For additional guidance on health plans interest and penalties, refer to the [Prepaid Health Plan Interest and Penalties for Provider Claims](#) bulletin for reference and for [guidance scenarios](#).

## **RECOUPMENT**

Health plans shall implement fee schedule changes within 45 calendar days of notification and reprocess all impacted claims within 75 calendar days of notification for all NC Medicaid rate floor

programs. Health plans are expected to notify providers of any overpayment within the 75 calendar day period to reprocess impacted claims. Health plans have 60 calendar days to recoup payments after claim recoupment is identified.

## WHAT IF I HAVE QUESTIONS

For general inquiries and complaints regarding health plans, NC Medicaid has created a Provider Ombudsman to represent the interests of the provider community, provide resources and assist providers with issues through resolution.

Provider Ombudsman inquiries, concerns or complaints can be submitted to [Medicaid.ProviderOmbudsman@dhhs.nc.gov](mailto:Medicaid.ProviderOmbudsman@dhhs.nc.gov), or received through the Provider Ombudsman line at 919-527-6666. The Provider Ombudsman contact information is also published in each health plan's provider manual. For questions related to your NCTracks provider information, please contact the NCTracks Call Center at 800-688-6696. To update your information, please log into the [NCTracks Secure Provider Portal](#) and use the Managed Change Request (MCR) to review and submit changes.

For questions related to member eligibility, call the NCTracks Call Center for more information at 800-688-6696.

For all other questions, please contact the NC Medicaid Help Center at 888-245-0179 or email at [Medicaid.HelpCenter@dhhs.nc.gov](mailto:Medicaid.HelpCenter@dhhs.nc.gov).

